



FISCAL MEMORANDUM

HB 1686 - SB 1749

February 19, 2022

SUMMARY OF BILL AS AMENDED (013884): Creates a pilot program under the Commission on Aging and Disability (TCAD), called the “Colonel Thomas G. Bowden Act” (Act), which provides respite care services for individuals suffering from symptoms of a clinical diagnosis of Alzheimer’s disease or related dementia. Requires the the area agency on aging to report the costs of the agency’s respite care infrastructure every year of the pilot to TCAD. Requires the act to be composed of two tiers depending on the applicant’s personal financial ability to pay for caregiver services and is limited to 150 enrollees each calendar year. The program will begin enrolling individuals no later than January 1, 2023 and begin offering services from no later than July 1, 2023 to January 1, 2026 with a written report to be submitted by the TCAD by January 15 of each year.

FISCAL IMPACT OF BILL AS AMENDED:

**Increase State Expenditures – \$332,600/FY22-23
\$749,400/FY23-24
\$749,400/FY24-25
\$374,700/FY25-26**

Assumptions for the bill as amended:

- Based on the Alzheimer’s Association 2019 Facts and Figures Report, an estimated 120,000 people over the age of 65 are living with Alzheimer’s in this state. Therefore, it is assumed the maximum number of 150 individuals will qualify for and participate in the Program in the first year, and a minimum number of 150 individuals in each year thereafter
- However, since the proposed legislation is creating a new program, TCAD will require one additional Aging Program Director position to work specifically on managing and implementing the program, which will create a recurring increase in state expenditures of \$84,200 (\$66,267 salary + \$17,933 benefits).
- TCAD will need to contract with the nine area agencies on aging and disability (AAADs) to hire staff to enroll individuals in the program and contract with third-party entities to provide care. The third-party entities will provide respite care at a cost of \$21.32 per hour for an average of 4 hours per week.
- Although the proposed legislation is composed of two tiers based on applicant’s income level, it is not assumed that there is a requirement for number of accepted applicants per

tier level. Therefore, it is possible that all 150 accepted applicants require complete fiscal support.

- Respite care services will begin January 1, 2023. Therefore, third-party respite care providers will be under contract for six months of FY22-23. Once respite care services begin, third-party entity contracting will increase state expenditures by \$665,184 [(\$21.32 per hour of care x 4 hours a week x 52 weeks) x 150 individuals] annually.
- The total increase in expenditures in FY22-23 of \$332,592 [\$84,200 + (\$665,184 x 50%)].
- Total expenditures are assumed to increase in FY23-24 and FY24-25 with the addition of respite care services to \$749,384 (\$84,200 + \$665,184).
- Assuming the pilot program does not get extended past the end date of January 1, 2026, as included in the proposed legislation, the expenditures for FY25-26 would be 50 percent of previous year's expenditures, since the program would only run for half of the fiscal year. Therefore, total expenditures for FY25-26 would be \$374,692 (\$749,384 x 50%).
- Any increase in expenditures to TCAD to develop, compile and submit the annual report will not be significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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